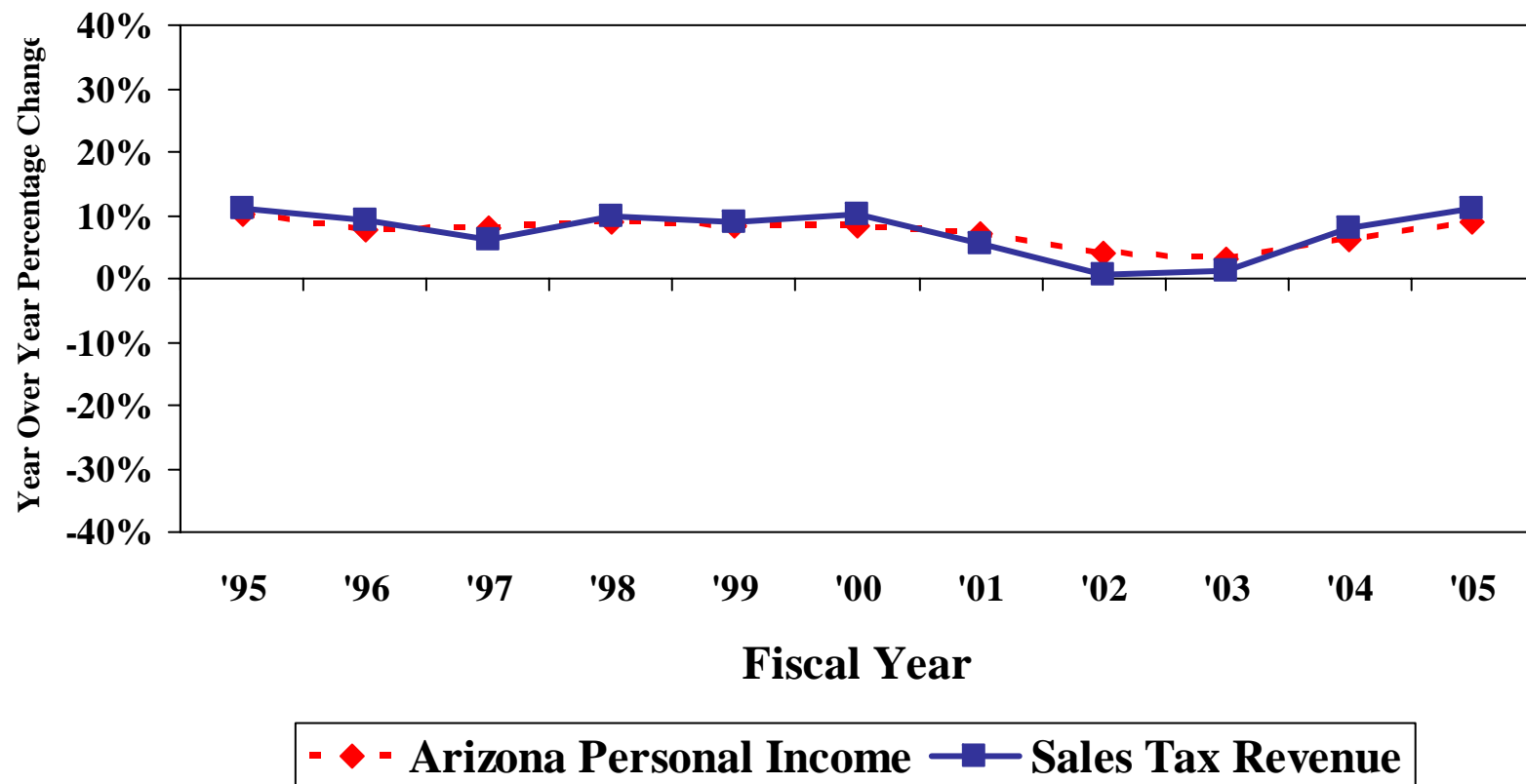
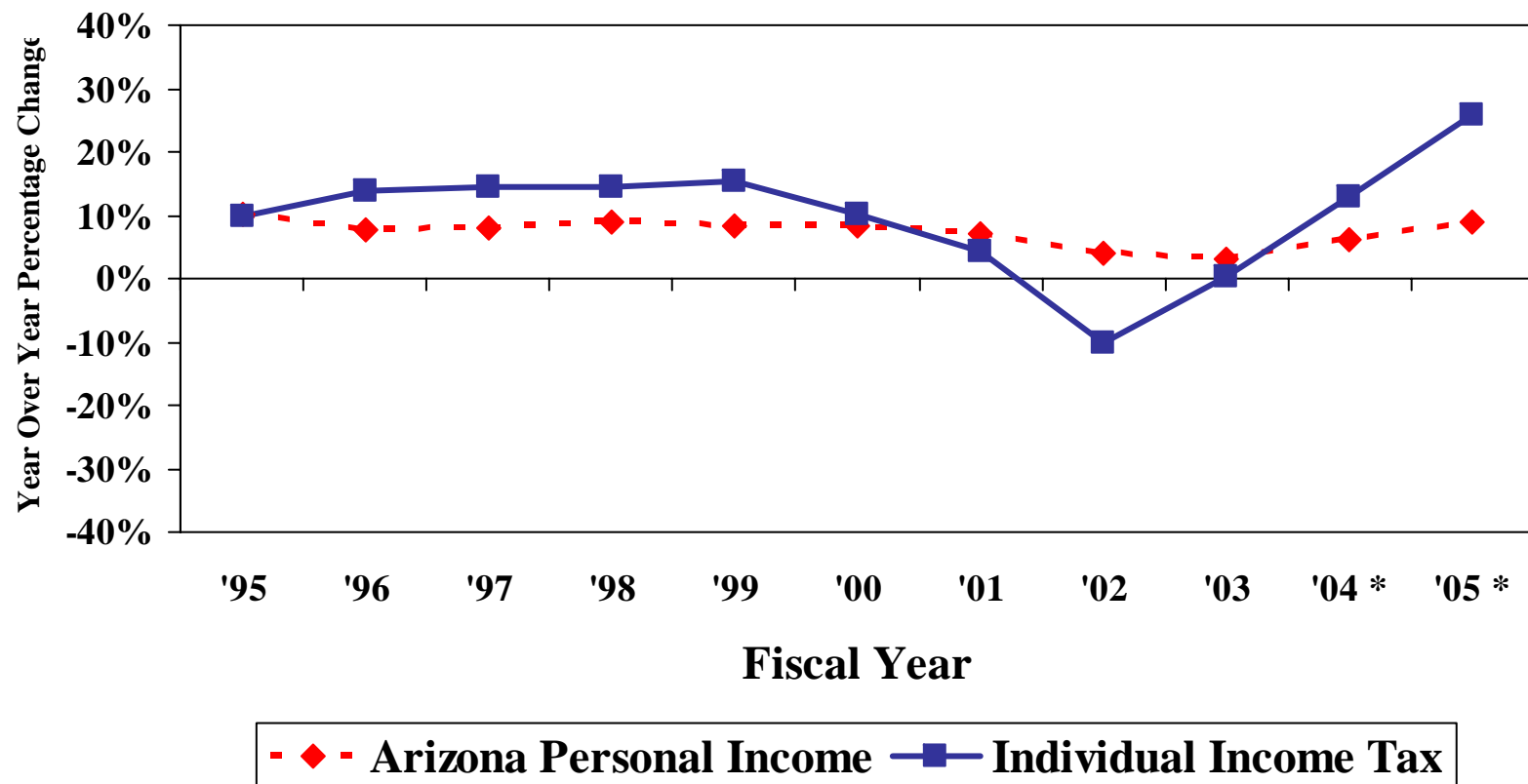


Changes in Baseline Sales Tax Collections Generally Track Arizona Personal Income



Baseline % change represents revenue growth prior to tax law and other one-time changes.

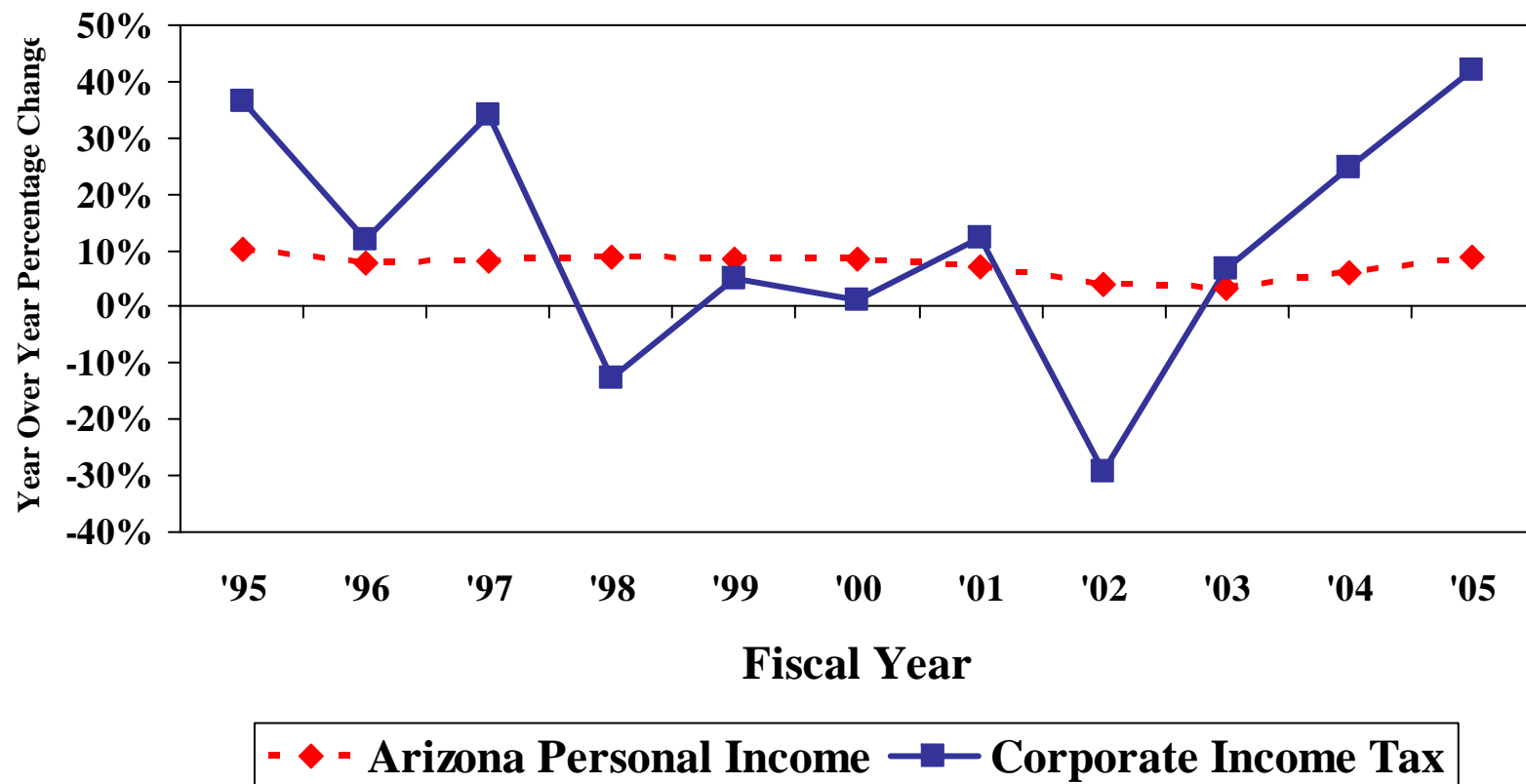
Individual Income Tax is More “Elastic” than Sales Tax: Grows More Quickly in Good Times/More Slowly in Bad Times



Baseline % change represents revenue growth prior to tax law and other one-time changes.

* FY 2004 percentage increase adjusted for \$76 million under-withholding.

Corporate Income Tax is the Most Volatile of the Three Major Revenue Categories



Baseline % change represents revenue growth prior to tax law and other one-time changes.